



# **Albyn Housing Society**

## **Financial Regulations 2020**

## **Foreword**

Housing Associations are expected to exercise a high quality of financial management in all aspects of their business activities as set out in the Regulatory Standards of Governance and Financial Management (2019)

To conduct its business effectively Albyn Housing Society Limited and group companies needs to ensure that it has sound financial management systems in place, that they are strictly adhered to, are regularly reviewed and are appropriate to the scale of activities. Part of this process is the establishment of financial regulations that set out the financial policies of Albyn.

Following approval by the Board, it will be necessary for Albyn to consider how it might set out in detail exactly how the regulations are to be implemented in its financial procedures.

## **Terminology**

In developing these regulations, the following general terms have been used:

### **THE BOARD**

The Board is ultimately responsible for aspects of the Society's affairs.

The Board also have a duty towards the Society, its staff and its tenants and must therefore take steps to satisfy themselves that they receive all necessary information to allow a reasoned and justifiable basis for decision making.

The Board must ensure that they have the skills and knowledge they need to be effective in their role. To assist with this the Board must undertake an annual appraisal.

They must at all times seek to identify risks to the Society and take all reasonable steps to mitigate them.

### **AUDIT & RISK MANAGEMENT COMMITTEE**

The Audit & Risk Management Committee is responsible for ensuring that an internal control system exists and is operating effectively. It also ensures that there is an independent review of the control framework through internal and external audit activity.

### **CHIEF EXECUTIVE**

The person with the ultimate executive responsibility for the management of Albyn.

### **LEADERSHIP TEAM**

The Leadership Team of Albyn are responsible for the delegated budget of their respective area. This includes both the Chief Executive and each member of the Leadership Team.

## **BUDGET HOLDER**

The member of staff who has been assigned responsibility for a specific budget (other than a member of the Leadership Team) and is accountable to the Leadership Team member for it.

## **DIRECTOR OF FINANCE & CORPORATE SERVICES**

The DIRECTOR of Finance & Corporate Services is responsible to the Chief Executive for the administration and control of the finance department.

## **STAFF**

It is the responsibility of the Chief Executive and the Leadership Team to co-ordinate the activities of the staff and to report to the Board. The Chief Executive is also responsible for the implementation of strategic, policy and procedural decisions taken by the Board.

The Chief Executive is also responsible for the promotion of the Society and with the Leadership Team for co-ordinating the activities of other senior officers.

The Chief Executive is responsible for ensuring the Board receives all information and relevant guidance and training which it requires to meet its objectives.

The Leadership Team are responsible for ensuring staff members within their team understand their respective roles and responsibilities and for monitoring their performance. They must ensure they and their staff are accountable for all that they do. They are also responsible for managing the financial budgets allocated to their area of responsibility.

All staff are responsible for the security and control of all assets, cash and materials.

The responsibilities and duties of all staff members are contained within individual job descriptions. The responsibilities and duties of any Agents or service providers are contained within a relevant contract or Service Level Agreements.

## **1 Status of Financial Regulations**

- 1.1 The financial regulations of Albyn form part of its overall system of financial and management control. The rules of Albyn, the terms of reference of the Board and its committees, and the standing orders outline how Albyn will be controlled and run.
- 1.2 This document sets out Albyn's financial regulations that form part of the standing orders. It translates into practical guidance Albyn's broad policies relating to financial control. This document was approved by Board on 15 December 2020. It applies to Albyn and all of its subsidiary undertakings.
- 1.3 Compliance with the financial regulations is compulsory for all staff employed by Albyn or any of its subsidiaries. It is the responsibility of the Leadership Team to ensure that their staff are made aware of the existence and content of Albyn's financial regulations.
- 1.4 The Board is responsible for maintaining a continuous review of the financial regulations and ensuring any additions or changes that are necessary are made.
- 1.5 Albyn's detailed financial procedures set out how the regulations will be implemented and are separate to these regulations. It is the Director of Finance & Corporate Services responsibility to prepare and maintain Albyn's financial procedures which should be available to all staff.

## **2 Financial Control**

### **THE BOARD**

- 2.1 The Board has ultimate responsibility for Albyn's finances. Its financial responsibilities are:
  - ♦ to ensure the solvency of Albyn
  - ♦ to safeguard the assets of the Society and for taking reasonable steps to prevent and detect fraud and other irregularities
  - ♦ to ensure that the Society operates as economically, efficiently and effectively as possible within the Society's overall objectives
  - ♦ To ensure that proper accounting records are kept which disclose, with accuracy, the financial position of the Society
  - ♦ to ensure compliance with the regulatory body's standards for Governance & Financial Management
  - ♦ to ensure that financial control systems are in place and are working effectively and that a statement of assurance is produced by the internal audit provider annually
  - ♦ to ensure that the annual audited accounts are published in accordance with the Society's rules and that all statutory returns are completed within the required time period

- ♦ to ensure that Albyn complies with the regulatory body's code of audit practice.
- ♦ to approve Albyn's strategic and Business Plan
- ♦ to approve the budget and to approve the annual financial statements
- ♦ to recommend to the annual general meeting (AGM) the appointment of Albyn's external auditors.

## **COMMITTEE STRUCTURE**

2.2 The Board delegates its responsibilities to the committees detailed below. These committees are accountable to The Board. The Audit & Risk Management Committee is remitted to review the main Corporate Governance Issues of Albyn. The full remit can be found in the Standing Orders.

## **THE BOARD**

2.3 The Board undertakes ongoing monitoring of Albyn's financial position and financial control systems. The Board will:

- ♦ examine budget, management accounts and statutory accounts and;
- ♦ ensure that short term budgets are in line with agreed longer term plans and that they are fully implemented
- ♦ consider any other matters relevant to the financial duties of the Board and make recommendations accordingly
- ♦ ensure that adequate information is available to enable it to discharge its financial responsibilities.

## **AUDIT & RISK MANAGEMENT COMMITTEE**

2.4 The Audit & Risk Management Committee is independent, advisory and reports to the Board. It has right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. The Committee is responsible for identifying and approving appropriate performance measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness and that the Board is able to give an annual statement of assurance in respect of financial control systems.

2.5 The audit requirements of Albyn are set out in the regulatory body's code of audit practice.

## **AUDIT REQUIREMENTS**

2.6 The Director of Finance & Corporate Services is responsible for drawing up a timetable for the preparation and audit of Albyn's Annual Financial Statements and will advise staff and the external auditors accordingly.

- 2.7 The Board will review and approve the Annual Financial Statements. The Audit & Risk Management Committee should review the management letter from the External Auditors.
- 2.8 External auditors and internal auditors shall have authority to:
- ♦ access Albyn premises at reasonable times
  - ♦ access all assets, records, documents and correspondence relating to any financial and other transactions of Albyn
  - ♦ require and receive such explanations as are necessary concerning any matter under examination
  - ♦ require any employee of Albyn to account for cash, stores or any other Albyn property under his/her control
  - ♦ access records belonging to third parties, such as contractors when required.
- 2.9 Whenever any matter arises which involves, or is thought to involve, irregularities or fraud concerning cash, stores or other property of Albyn or there is any other suspected irregularity in the exercise of the activities of Albyn, the Fraud Response Policy will be applied.
- 2.10 The designated officer will take steps as necessary by way of investigation and involvement of internal audit and report the matter to the regulatory body where required. If deemed appropriate the issue will be required to be entered in the Fraud Register and reports will be prepared for the Audit & Risk Management Committee and Board as appropriate.
- 2.11 The Board will ensure that a procedure for whistle blowing is in place and operating effectively.

## **EXTERNAL AUDIT**

- 2.12 The appointment of external auditors will take place annually at the AGM and it is the responsibility of the Board to make recommendations following advice received from the Audit & Risk Management Committee.
- 2.13 The primary role of external audit is to report on Albyn's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds.
- 2.14 Their duties will be in accordance with advice set out in the code of audit practice and the Auditing Practices Board's auditing standards.

2.15 Each year the Audit & Risk Management Committee will review the effectiveness of external audit and, provided the auditors' work is of a sufficiently high standard and reasonably priced, should recommend that The Board reappoint them. A competitive tendering exercise will be held at least every five years.

## **INTERNAL AUDIT**

2.16 The Board appoints the internal auditor on the recommendation of Audit & Risk Management Committee.

2.17 The main responsibility of internal audit is to provide the Board and the Chief Executive with assurances on the adequacy of the internal control framework.

2.18 The internal audit service remains independent in its planning and operation and has direct access to the Board, Chief Executive and Chair of Audit & Risk Management Committee.

2.19 The internal auditor will comply with the Auditing Practices Board's auditing guidance for Internal Auditors.

## **OTHER AUDITORS**

2.20 Albyn may, from time to time, be subject to audit or investigation by external bodies such as HM Customs and Excise who have statutory rights of access.

## **RESPONSIBILITIES**

### **The Chief Executive**

2.21 The Chief Executive is responsible for the operational management of Albyn's affairs. He or she must assist the Board in determining its strategic objectives and promote the achievement of such objectives through the effective deployment of Albyn's resources

### **Director of Finance & Corporate Services**

2.22 Day to day financial administration is the responsibility of the Director of Finance & Corporate Services. The Director of Finance & Corporate Services is responsible to the Chief Executive for:

- ♦ long-term planning & preparing 30-year projections on an annual basis;
- ♦ advising on the rent setting process;
- ♦ preparing the annual budget for the Society and its subsidiaries;
- ♦ presenting management accounting reports to the Board and its Committees on a timely basis;
- ♦ preparing the annual statutory accounts and liaising with the Society's auditors in respect of the year end audit;
- ♦ monitoring the day to day running of the Society's finances;
- ♦ maintaining efficient systems of financial control and reporting;

- ◆ preparing the five-year financial projections;
- ◆ ensuring the Society has adequate insurance policies in respect of buildings, office equipment, public liability, employer's liability and other insurances as are necessary in the effective operation of the Society's business;
- ◆ ensuring that all the Society's development projects have the required level of funding at the time it is required and that all eligible grants for such projects have been claimed and that adequate loan finance has been arranged;
- ◆ contributing to the preparation of the annual Business Plan;
- ◆ implementing decisions taken by the Board or the Audit & Risk Management Committee on financial matters;
- ◆ despatching financial returns and other periodic financial reports to the regulatory body and other agencies as required.

### **Leadership Team**

2.23 The Leadership Team are responsible to the Chief Executive for financial management in their own areas. They are advised by the Director of Finance & Corporate Services in executing their financial duties. The Director of Finance & Corporate Services will also supervise and approve the financial systems operating within the areas of their responsibility including the form in which financial records are kept.

2.24 The Leadership Team is responsible for establishing and maintaining clear lines of accountability within their area of responsibility for all financial matters.

2.25 Where resources are devolved to budget holders, the budget holder is accountable to the respective member of the Leadership Team for his/her own budget.

### **BUDGETING**

#### **Resource Allocation**

2.26 Resources are allocated regularly, and at least annually, as approved by the Board.

## **Budget Preparation**

- 2.27 The Director of Finance & Corporate Services is responsible for ensuring the budget (including the development programme) is prepared annually for consideration by the Board. The budget should also include cash flow forecasts for five years and include projected year-end balance sheets. The Director of Finance & Corporate Services must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to The Leadership Team as soon as possible following their approval by the Board. The Leadership Team may operate supplementary budgets, within their allocations, in accordance with procedures established by the Director of Finance & Corporate Services.
- 2.28 During the year, the Director of Finance & Corporate Services is responsible for submitting revised budgets to the Board for consideration and approval dependent on the nature and materiality of the change.

## **Development Programmes**

- 2.29 Capital expenditure on land, buildings, and associated costs can only be considered as part of the development programme approved by the Board.
- 2.30 The Director of Assets & Subsidiaries is responsible for providing regular statements concerning all development programme capital expenditure to The Board for monitoring purposes.
- 2.31 The proposed Development Programme should be supported by:
- ◆ a statement which demonstrates the project's consistency with the strategic plans approved by the Board
  - ◆ an initial budget for the Development program for submission to the Board. The programme costs should be included in the same format as required by Scottish Government unless otherwise agreed.
  - ◆ a financial evaluation of the plans together with their impact on revenue expenditure plus advice on the impact of alternative plans
  - ◆ an investment appraisal in an approved format which complies with regulatory guidance on option and investment appraisal
  - ◆ a demonstration of compliance with normal tendering procedures and regulatory body regulations
  - ◆ a cashflow forecast.

## **Financial Planning**

2.32 The Director of Finance & Corporate Services is responsible for preparing business plans (financial considerations only) for approval by the Board and for preparing long term financial forecasts for at least the period required by the regulatory bodies and funders. Financial plans should be consistent with the strategic plans and development strategy approved by the Board.

## **Budgetary Control**

2.33 The control of income and expenditure within an agreed revenue budget is the responsibility of the designated budget holder who must ensure that day to day monitoring is undertaken effectively. Budget holders are responsible to the appropriate member of the Leadership Team for the income and expenditure appropriate to their budget. The budget holder will be assisted in this duty by management information provided by/to the Director of Finance & Corporate Services. Any reports presented to the Board must identify the extent of any financial implications of the proposals contained in the report

## **Virement**

2.34 Where a budget holder is responsible for more than one budget, virement (the authority to transfer budgets) is permitted up to an agreed level of the budget from which virement is sought, with the approval of the Chief Executive, Director of Finance & Corporate Services dependent on the amount which is detailed as part of the annual approval of limits. The Director of Finance & Corporate Services should be advised in all cases of approved virement.

2.35 Virement between budgets held by different budget holders are permitted up to an agreed level of the budget from which virement is sought. The approval of the transferring budget holder and the Chief Executive is required.

2.36 The Director of Finance & Corporate Services is responsible for submitting requests for virement of resources above an agreed level to the Board for consideration and approval.

## **ACCOUNTING POLICIES**

### **Basis of Accounting**

2.37 The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

## **Format of the Accounts**

2.38 The accounts are prepared for the financial year ending 31 March, in the format required by the Statement of Recommended Practice (SORP) on Accounting for Registered Social Landlords published by the NHF and the Determination of Accounting Requirements published by Scottish Government and Scottish Housing Regulator.

## **ACCOUNTING RETURNS**

2.39 The Director of Finance & Corporate Services is responsible for preparing and dispatching financial returns and other periodic financial reports to the regulatory body(ies) and other agencies as required. The Director of Finance & Corporate Services is also responsible for ensuring that all grants notified by the regulatory body and other bodies are received.

## **ACCOUNTING RECORDS**

2.40 The Director of Finance & Corporate Services is responsible for the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.

2.41 Albyn is required by law to retain prime documents. These include:

- ♦ accounts raised (six years)
- ♦ copies of receipts (six years)
- ♦ payroll records (six years)
- ♦ VAT records (six years)

2.42 For auditing and other purposes, Albyn should retain other financial documents for at least three years but should be guided by specific programme or legislative requirements. Document retention can be in paper or electronic format depending on the legal requirement.

## **3 Income and Banking**

### **GENERAL**

3.1 The Director of Finance & Corporate Services is responsible for ensuring that appropriate procedures are in operation to enable Albyn to receive all the income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use must have the approval of the Director of Finance & Corporate Services.

3.2 Levels of charges for rents and lettings are determined by procedures approved by the Board.

- 3.3 The Director of Finance & Corporate Services is responsible for the prompt collection, security and banking of all income received.
- 3.4 The Director of Finance & Corporate Services is responsible for ensuring that all grants notified by the regulatory body and other bodies are received and appropriately recorded in Albyn's accounts.
- 3.5 The Director of Finance & Corporate Services is responsible for ensuring that all claims for funds are made by the due date.

### **APPOINTMENT OF BANKERS**

- 3.6 The Board is responsible for the appointment of Albyn's bankers on the recommendation of the Director of Finance & Corporate Services.

### **BANKING ARRANGEMENTS**

- 3.7 The Director of Finance & Corporate Services is responsible, on behalf of the Board, for liaising with Albyn's bankers in relation to Albyn's bank accounts.
- 3.8 Only the Director of Finance & Corporate Services may open or close a bank account for dealing with Albyn's funds after seeking approval from the Board. All bank accounts shall be in the name of Albyn or its authorised subsidiaries.
- 3.9 All types of payment methods are drawn on behalf of Albyn must be signed / approved in the form approved by the Board.
- 3.10 The Director of Finance & Corporate Services is responsible for ensuring that all bank accounts are subject to regular reconciliation and independent review and that large or unusual items are investigated as appropriate.

### **CASH RECEIPTS**

- 3.11 All monies received within service areas from whatever source must be sent directly to the Finance team on a daily basis together with the form in which they were received. An authorised receipt of Albyn should be issued if requested.
- 3.13 No deductions may be made from any cash collected on behalf of Albyn prior to paying into the bank.
- 3.14 Personal or other cheques must not be cashed out of money received on behalf of Albyn.

### **RENTS**

- 3.15 The procedures for collecting rents must be approved by the Director of Finance & Corporate Services. He/She should ensure that:

- ♦ swift and effective action is taken to collect overdue rents in accordance with Albyn's formal procedures
- ♦ outstanding rents are monitored and reports prepared for managers.

### **THE COLLECTION OF DEBTS**

3.16 The Director of Finance & Corporate Services should ensure that:

- ♦ debtors invoices are raised promptly in respect of income due to Albyn.
- ♦ debtors are raised on official invoices.
- ♦ swift and effective action is taken to collect overdue debts in accordance with Albyn's formal procedures.
- ♦ outstanding debts are monitored and reports are prepared for those requiring the information.

3.17 The Director of Finance & Corporate Services is responsible for implementing credit arrangements and indicating a period in which different types of invoice must be paid.

### **WRITE OFF OF ARREARS AND DEBTS**

3.18 Requests to write-off debts in excess of £500 must be referred to the Performance Committee for consideration. Debts below this level may be written off with the permission of the Customer Services Manager but will also be reported to the Board Periodically.

### **GIFTS, BENEFACTIONS AND DONATIONS**

3.19 The Corporate Team is responsible for maintaining records in respect of gifts, benefactions and donations made to or declined by Albyn in accordance with Albyn's policy on such matters. He/she is also responsible for initiating claims for recovery of tax where appropriate through liaison with the Finance Team.

## **SECURITY OF DOCUMENTS**

- 3.20 The Corporate Team is responsible for the safekeeping of official and legal documents relating to Albyn. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Corporate Team. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

## **4 Expenditure**

### **GENERAL**

- 4.1 The Director of Finance & Corporate Services is responsible for making payment to suppliers of goods and services to Albyn and its subsidiaries.

### **AUTHORITIES**

- 4.2 The appropriate members of the Leadership Team are responsible for purchases within his/her service area. Purchasing authority may be delegated to named individuals (or budget holders) within each area.
- 4.3 The Director of Finance & Corporate Services shall maintain a register of authorised signatories including limits. Any changes to the authorities to sign must be notified to the Director of Finance & Corporate Services immediately. Members of Staff must supply the Finance Team with specimen signatures as appropriate.
- 4.4 The Leadership Team and budget holders are not authorised to commit Albyn to expenditure unless they are able to confirm sufficient budgetary capacity to meet the purchase cost.
- 4.5 The authorised member of staff (or budget holder) certifying the invoice for payment must be different from the member of staff responsible for signing the purchase order for all orders above £250.
- 4.6 Expenditure on a single item, unless contained within the development programme approved expenditure, financing or employment issues, in excess of £10,000 shall require the approval of the Chief Executive in accordance with the scheme of delegation.

### **PETTY CASH**

- 4.7 Petty cash will be controlled through the Imprest system. Detailed guidance will be issued by the Finance Team and is contained in Albyn's financial procedures.

### **PURCHASE ORDERS**

- 4.9 The ordering of goods and services shall be in accordance with Albyn's detailed

financial procedures and Procurement Policy.

- 4.10 Official Albyn order forms must be used for the purchase of all goods or services, except those made using petty cash or those subject to separate contract or subscription.

## **TENDERING**

- 4.12 Subject to special rules imposed by the regulatory bodies, Albyn's tendering and acceptance procedures involving competition which are contained in Albyn's Procurement Policy and Scheme of Delegated Authority are applicable to all purchases.

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In certain exceptional circumstances, with the permission of the Chief Executive, these rules need not be followed. Dependent upon the circumstances these will be reported to the Board.

## **CONTRACTS**

- 4.13 Building contracts are the responsibility of the Board and are administered by the Director of Assets & Subsidiaries and will comply with the detailed contracting procedures set out in Albyn's standing orders.
- 4.14 Proposals will normally be initiated by the Director of Assets & Subsidiaries in respect of planned replacements, general improvement schemes or in response to requests from specific directories.
- 4.15 Consultants may be appointed to the project, as determined by the Board. Appointments shall be subject to tendering and other procedures where appropriate.
- 4.16 Proposals shall be presented in the form of costing or other appraisals methods as appropriate for the Board. Investment appraisals should comply with appropriate regulatory body guidance.
- 4.17 Following consideration by the Board, the submission should be forwarded to the regulatory body where appropriate. Regulatory body guidance on best practice should be followed even when regulatory body approval is not required.
- 4.18 Conditions of contract for the purchase of goods will be followed as described in Albyn's detailed financial procedures.
- 4.19 Following completion of a capital project, a final report should be submitted to the Board recording actual expenditure against budget and reconciling funding arrangements. The Director of Finance & Corporate Services for audit purposes should retain documentary evidence concerning the decision-making process in relation to each contract above a determined threshold.

## **PAYMENT OF INVOICES**

- 4.20 The procedures for making all payments (normally direct credit to the payee's bank account) shall be in a form specified by the Director of Finance & Corporate Services.
- 4.21 The Director of Finance & Corporate Services is responsible for deciding the most appropriate method of payment for categories of invoice. In exceptional circumstances the Director of Finance & Corporate Services will issue same-day bank transfer payments or prepare cheques manually for urgent payments.
- 4.22 Suppliers should be instructed by the budget holder to submit invoices for goods or services to the Finance Department.
- 4.23 Budget Holders are responsible for ensuring that expenditure within their area does not exceed funds available.
- 4.24 The Director of Finance & Corporate Services will only make payment against invoices that have been certified by the appropriate budget holder. Certification of an invoice should involve at least one officer in the process and will ensure that:
- ♦ the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory
  - ♦ where appropriate, it is matched to the order
  - ♦ invoice details (quantity, price, discount) are correct
  - ♦ the invoice is arithmetically correct
  - ♦ the invoice has not previously been passed for payment
  - ♦ VAT issues have been complied with where they apply
  - ♦ An appropriate cost centre is quoted. This must be one of the cost centre codes included in the budget holder's area of responsibility and must correspond with the types of goods or service described on the invoice.
- 4.25 Invoices must be passed to the Finance Team as soon as they have been certified. Care must be taken by the budget holder to ensure that discounts receivable are obtained.

## **5 Salaries and Wages**

### **GENERAL**

- 5.1 The Director of Finance & Corporate Services is responsible for all payments of salaries to all staff including payments for overtime or services rendered. All

other pay documents will be in a form prescribed or approved by the Director of Finance & Corporate Services.

- 5.2 All Albyn staff will be appointed to the salary grades approved by the Board and in accordance with appropriate conditions of service. The Head of HR must issue all letters of appointment and any letters of contract variation both temporary and permanent in nature. The member of staff responsible for personnel issues will be responsible for keeping the Director of Finance & Corporate Services informed of all matters relating to personnel for payroll purposes.
- 5.3 In particular these include:
- ♦ appointments, resignations, dismissals, supervisions, secondments and transfers
  - ♦ absences from duty for sickness or other reason, apart from approved leave
  - ♦ changes in remuneration including normal increments and pay awards
  - ♦ information necessary to maintain records of service for superannuation, income tax, National Insurance, etc.
- 5.4 The Director of Finance & Corporate Services is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.
- 5.5 The Director of Finance & Corporate Services shall be responsible for keeping all records relating to payroll including those of a statutory nature.
- 5.6 All payments must be made in accordance with Albyn's detailed payroll financial procedures and comply with Inland Revenue regulations.

## **PENSIONS**

- 5.7 The Board is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.
- 5.8 The Director of Finance & Corporate Services is responsible for day to day pension matters including:
- ♦ paying of contributions to various authorised pension schemes
  - ♦ preparing the annual return to various pension schemes.

## **TRAVEL, SUBSISTENCE AND OTHER ALLOWANCES**

- 5.9 All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Director of Finance & Corporate Services. All expense claims should be made within Three months of the expense being incurred.
- 5.10 Their appropriate budget holder with delegated authority must certify claims by members of staff. The certification by the budget holder shall be taken to mean that the journeys were authorised, the expenses properly and necessarily incurred in the course of carrying out their duties and that the allowances are properly payable by Albyn.
- 5.11 The payment of Board Members' expenses should be in accordance with Albyn's Expenses Policy.

## **6 Assets**

### **LAND, BUILDINGS, FIXED PLANT AND MACHINERY**

- 6.1 The purchase, lease or rent of land or buildings or fixed plant can only be undertaken as part of an approved development programme.
- 6.2 The Director of Finance & Corporate Services is responsible for maintaining Albyn's register of land and Heritable buildings. The Director of Finance & Corporate Services is additionally responsible for maintaining a register of fixed plant, machinery, computers and vehicles.

### **ASSET DISPOSAL**

- 6.3 Disposal of equipment and furniture must be in accordance with procedures agreed by the Board and contained in Albyn's detailed financial procedures.
- 6.4 Disposal of land and buildings must only take place with the authorisation of the Board. Regulatory body consent may also be required.

## **TREASURY MANAGEMENT (INVESTMENTS AND BORROWINGS)**

- 6.5 The Board is responsible for approving a treasury management policy statement setting out strategy and policies for cash management, long term investments and borrowings. The Board has a responsibility to ensure implementation, monitoring and review of such policies.
- 6.6 All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Director of Finance & Corporate Services and an appropriate reporting system established. All borrowing and investments shall be in the name of Albyn and shall conform to any relevant regulatory requirements. The Finance Team are required to act in accordance with Albyn's treasury management policy statement as approved by the Board.
- 6.7 The Director of Finance & Corporate Services will report to the Board regularly in each financial year on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him/her including monitoring compliance.

## **7 Other**

### **GROUP STRUCTURES AND SUBSIDIARIES**

- 7.1 In certain circumstances it may be advantageous to Albyn to establish group structures or subsidiaries to undertake services on its behalf.
- 7.2 The Board is responsible for approving the establishment of group structures or subsidiaries and the procedure to be followed in order to do so. The process involved in forming a company and arrangements for monitoring and reporting on the activities of subsidiary undertakings are documented in Albyn's financial procedures.
- 7.3 It is the responsibility of the Board to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by Albyn.
- 7.4 The directors of companies where Albyn is the majority shareholder must submit an annual report to the Board.

### **RISK MANAGEMENT**

- 7.5 The Board is responsible for developing a risk management strategy, in line with the requirements of the regulatory body, in order to identify the risks facing Albyn and the appropriate responses to these risks. The strategy should cover important potential liabilities and be sufficient to meet any potential risk to the organisational strategy and plan. Any reports presented to the Board must identify the extent of any risk management implications of the proposals contained in the report.

## **INSURANCE**

- 7.6 The Director of Finance & Corporate Services is responsible for effecting insurance cover as determined by the Board and/or the regulatory body. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. He/she will also deal with Albyn's insurers and advisers about specific insurance problems.
- 7.7 Appropriate budget holders must ensure that any agreements negotiated within their operational areas with external bodies cover any legal liabilities to which Albyn may be exposed. The Director of Finance & Corporate Services advice should be sought to ensure that this is the case. Budget holders must give prompt notification to the Director of Finance & Corporate Services of any potential new risks and additional property and equipment that may require insurance and any alterations affecting existing risks.
- 7.8 Budget holders must advise the Director of Finance & Corporate Services, immediately, of any event that may give rise to an insurance claim. The Director of Finance & Corporate Services will notify Albyn's insurers and, if appropriate, prepare a claim in conjunction with the budget holder for transmission to the insurers. The Director of Finance & Corporate Services will make Insurers out of hours contact details available for use by staff in such circumstances.
- 7.9 The Director of Finance & Corporate Services will keep a register of all insurances affected by Albyn and the property and risks covered.
- 7.10 The Director of Assets & Subsidiaries is responsible for keeping suitable records of plant that is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.
- 7.11 All staff using their own vehicles on behalf of Albyn shall maintain appropriate insurance cover for business use.

## **TAXATION**

- 7.12 The Director of Finance & Corporate Services is responsible for advising Staff on all taxation issues in the light of guidance issued by the appropriate bodies and the relevant legislation as it applies to Albyn. Therefore, the Director of Finance & Corporate Services will issue instructions to appropriate staff on compliance with statutory requirements including those concerning VAT, PAYE, national insurance and corporation tax.
- 7.13 The Director of Finance & Corporate Services is responsible for maintaining Albyn's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate. He/she is also responsible for developing an effective taxation strategy that will minimise the tax burden to Albyn.

## **SECURITY**

- 7.14 Budget holders are responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, cash, etc. under his or her control. He or she shall consult the appropriate member of the Leadership team in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 7.15 The loss of safe keys must be reported to the appropriate member of the Leadership team immediately.
- 7.16 The Corporate Team shall be responsible for maintaining proper security and privacy of information. Access to areas where data is stored will be restricted to authorised persons. Information relating to individuals will be subject to the provisions of the Data Protection Act (2018). A data protection officer shall be nominated to ensure compliance with the Act.

## **CODE OF CONDUCT FOR STAFF**

- 7.17 Albyn expects that staff at all levels will observe the code of conduct, a copy of which is contained on the staff intranet and within accessible HR systems.
- 7.18 Albyn expects Members of the Board to observe the code of conduct for Board Members and requires members to disclose interests in Albyn's "Register of Interests of Members of the Board".

## **HOSPITALITY**

- 7.19 The limits concerning acceptable expenditure for entertaining guests from outside bodies are set out in Albyn's code of practice on hospitality.
- 7.20 Members of the Board and members of staff should refuse all material hospitality and gifts offered by an individual or company that does or could provide services to Albyn whether or not they are offered as an inducement to secure favour. Any hospitality or gifts that are accepted or refused must be recorded in the Register of Interests of members of the Board or the Register of Interests of staff as appropriate.

## **PERFORMANCE STANDARDS**

7.21 Albyn shall use the regulatory body's performance standards as its benchmark.

## **TRUST FUNDS**

7.22 The Director of Finance & Corporate Services is responsible for maintaining a record of the requirements for any trust fund held by Albyn and for advising the Board on the control and investment of fund balances.

7.23 The Board is responsible for ensuring that all Albyn's trust funds are operated within any relevant legislation and the specific requirements for each trust.

## 8 Appendices

### APPENDIX A

#### **Responsibilities of the Board specifically financial:**

- ♦ ensuring that Albyn maintains proper accounts and related records
- ♦ ensuring that systems are in place for all employees and creditors to be paid by their due date and that such systems are effective
- ♦ ensuring that all income received is correctly accounted for and that income receivable is collected promptly
- ♦ receiving and commenting on Albyn's revenue and capital budgets and reviewing performance
- ♦ ensure compliance with the rules and procedures for Grant and other legal requirements
- ♦ managing Albyn's investments
- ♦ overseeing
  - cash management and borrowing policies
  - Albyn's banking arrangements
  - Albyn's insurance arrangements